
FEATURE ARTICLE

The U.S. Army Security Assistance Command

By

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This article discusses the functions and missions of the U.S. Army Security Assistance Command (USASAC). It also focuses on current procedures for program management in the international arena.

The USASAC is the U.S. Army organization responsible for implementing approved security assistance programs, including foreign military sales (FMS) of defense articles and services to eligible foreign governments. The command manages approximately 5,500 FMS cases valued at \$47 billion, as well as coproduction, and development of the Army position on commercial license applications for the direct export of munitions, services, and technology.

"Strength In Cooperation," the command's motto, was tragically tested by the November 13, 1995 terrorist bombing of the Headquarters of the Program Manager, Saudi Arabian National Guard (PM-SANG) Modernization in Riyadh. The bombing left seven people killed and more than 60 injured. Four of the people killed and 55 of the injured were from the Office of the PM-SANG. Also killed was a soldier who was a member of an Army Training and Doctrine Command (TRADOC) Technical Assistance Field Team supporting the PM-SANG.

They, like their compatriots in Saudi Arabia—and in countless countries around the globe—represent U.S. national security interests in support of our foreign policy objectives. Patriots and professionals, they serve to help the U.S. achieve worldwide peace. Their service demonstrates American engagement and leadership in maintaining security through alliances.

The devotion and ultimate sacrifice of those lost will not be forgotten. The U.S. Army Security Assistance Command bids farewell to—

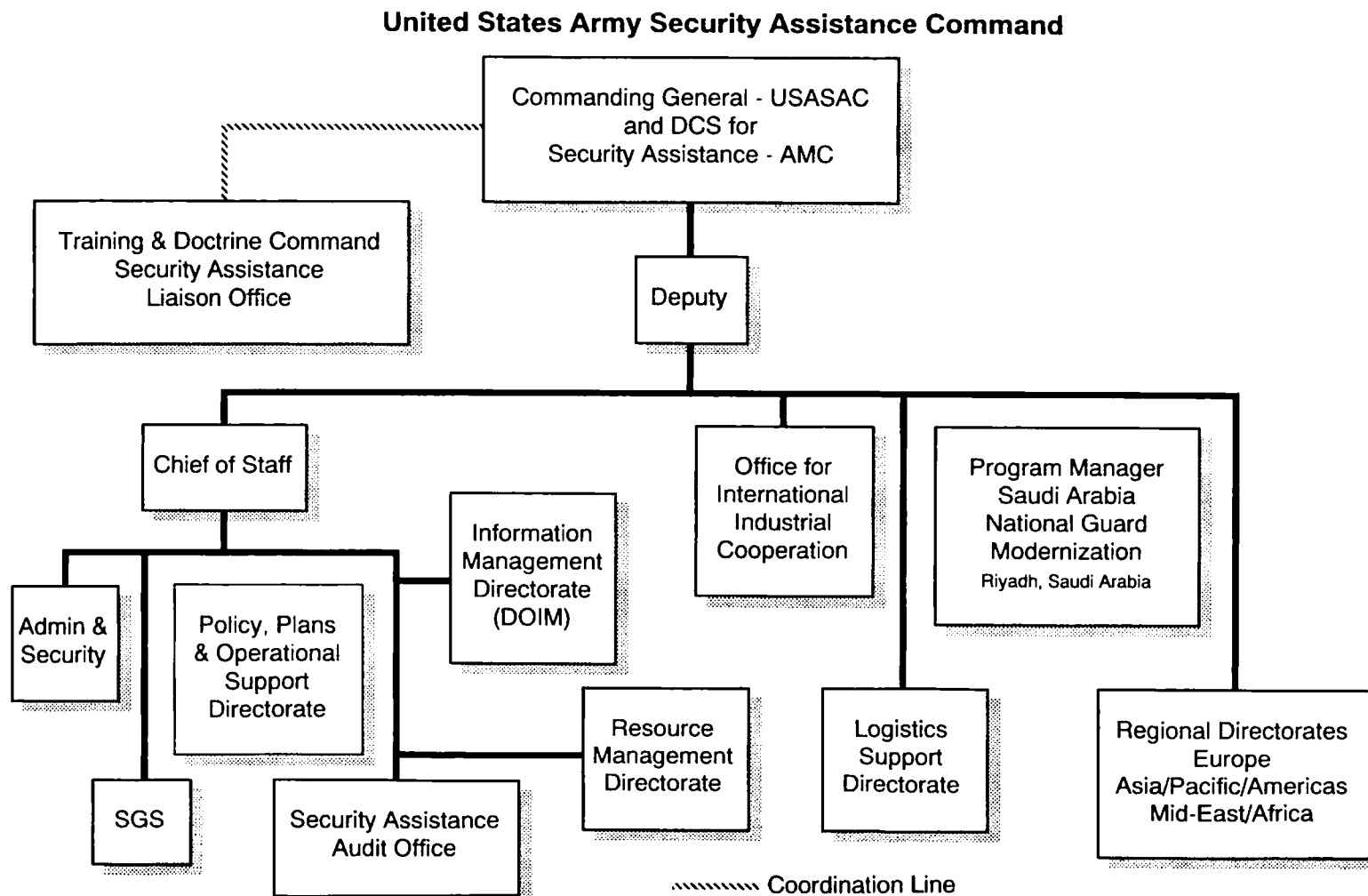
**Sergeant First Class David K. Warrell (1961-1995)
Mr. William L. Combs, Jr. (1941-1995)
Mr. Wayne P. Wiley (1940-1995)
Mr. Alaric J. Brozovsky (1963-1995)
Mr. James H. Allen (1940-1995)**

USASAC ORGANIZATION

The USASAC is a major subordinate command (MSC) of the Army Materiel Command (AMC). AMC, which manages one-half of the Army's procurement dollars, is the Army's main supplier of weapons and equipment. As the Army Executive Agent for Security Assistance, the AMC Commander has assigned the security assistance mission to USASAC.

Executing policies established by Congress and the Departments of State, Defense, Commerce and Army, USASAC is the focal point between the Army and FMS customers, which number more than 120 foreign nations and multinational organizations.

Figure 1
UNITED STATES ARMY SECURITY ASSISTANCE COMMAND



The commanding general, USASAC, is also dual-hatted and serves as AMC Deputy Chief of Staff for Security Assistance. He has a civilian principal deputy who is a member of the Senior Executive Service. The chief of staff is a full colonel, as are the regional directors. An Army Reserve brigadier general individual mobilization augmentee is assigned as the deputy CG.

The USASAC organization is depicted in Figure 1. The command's operating centers are located at Alexandria, Virginia, New Cumberland, Pennsylvania, and Saudi Arabia.

Three regional directorates at Alexandria, with elements at New Cumberland, manage the FMS case workload: Europe; Asia, Pacific & Americas; and Mideast/Africa. Here, Country Program Managers work directly with representatives of foreign governments to plan, develop, and execute international sales agreements. Under the command and control of the Regional Directors, teams of Country Case Managers (CCMS) at New Cumberland help ensure that each customer's cases receive the intense management required for total customer satisfaction.

The other directorates are: Logistics Support; Resource Management; Information Management; Policy, Plans, and Operational Support; and the Office for International Industrial Cooperation. In addition, the OPM-SANG manages a multibillion dollar FMS program.

Also at Alexandria is a TRADOC Security Assistance Training Liaison office. It exercises program management oversight for customer training requirements, including Mobile Training Teams, technical Assistance field Teams, and training of foreign students under security assistance training programs.

The command, including OPM-SANG, is staffed by approximately 730 men and women, of whom 107 are military. These professionals are guided by USASAC's strategic vision:

Be the recognized world leader in sustaining allies and friendly foreign countries with Army weapon systems and programs, in fulfillment of US. National Security policy and objectives, through a quality organization that exceeds all customer expectations.

USASAC AND THE SECURITY ASSISTANCE MISSION

Security assistance—U.S. Government assistance to allied and friendly nations—is an instrument of U.S. national security and foreign policy. Security assistance supports the defense interests of both the United States and its allies by promoting regional stability and deterring aggression, maintaining alliances, and disseminating democratic values. By contributing to the security of our allies, security assistance directly contributes to the security of the United States.

Foreign military sales is the principal security assistance program. FMS, which are government-to-government sales of defense articles, services, and military training, not only enhance the defensive capabilities of our allies, but also promote interoperability of materiel, logistics, and training—all areas vital to the success of coalition security. In addition, on the domestic front, FMS help the U.S. economy, maintain jobs, and sustain the industrial base for crucial weapon systems.

The USASAC is responsible for the life cycle management of FMS cases, from development to execution, financial management and accounting, and financial settlement. Each sale of equipment to overseas customers comprises the same total package of quality materiel, spare parts, training, publications, technical documentation, maintenance support, and other services that AMC provides to U.S. Army soldiers.

The USASAC Commanding General and his staff operate within policy and guidance furnished by the Headquarters, Department of the Army (HQDA) Office of the Deputy Chief of Staff for Logistics (DCSLOG) and interface with the Defense Security Assistance Agency (DSAA), other military departments and U.S. government agencies, private industry, and representatives of foreign governments and international organizations.



A major U.S. Army foreign military sales agreement culminated in September 1995 with the M1A2 Abrams tank rollout in Kuwait. (U.S. Army photo by Andy Griminger)

The USASAC lineup of tasks to implement and execute these programs includes:

- Developing Army plans to definitize security assistance requests, including emergency and politically sensitive requirements.
- Implementing, administering, and managing the Army's FMS cases, including coproduction, from initial planning, operations, logistics support, and financial aspects to completion of final accounting and close-out.
- Interpreting and promulgating Army security assistance policies and procedures.

- Maintaining program control and accountability with the Army's security assistance centralized data base.

- Managing command resources of the Army's security assistance program.

- Developing, coordinating, and providing to the Office of the Secretary of Defense the Army position on license applications for the direct commercial export of munitions, services, and technology.

- Developing and coordinating with HQDA, the Army position on International technology Transfer, including Manufacturing License Agreements, Technical Assistance Agreements, and Coproduction Programs.

- Providing force modernization advice and assistance to the Saudi Arabian National Guard via the Office of the Program Manager.

In addition to its FMS mission, USASAC is increasingly responding to requests to support United Nations peacekeeping operations around the globe.

Quest for Quality

We at USASAC believe that to provide quality products and services, we have to be a quality, customer-oriented organization. Our customers include the American taxpayers, the State Department and other U.S. agencies, AMC and the MSCS, U.S. industry—as well as our FMS customers abroad.

To serve our customers, we constantly re-evaluate and strive to improve the way we do business—expanding and enhancing automation, management, administration, training, and teamwork and continuously improving our processes.

Employing Total Quality Management coupled with Total Quality Leadership, and working with the AMC and other U.S. organizations, USASAC provides its customers with superior equipment, service, and support.

SECURITY ASSISTANCE BUDGET

The USASAC, in its role as the DA Executive Agent for Security Assistance, programs and budgets for the general and administrative support provided by the AMC to the U.S. Security Assistance Program. Budgets are developed at USASAC with input from the subordinate commodity commands of the AMC, and submitted through HQDA to DSAA. DSAA, in turn, provides FMS Administrative funding through HQDA to AMC from funds collected by a three percent surcharge levied on most FMS cases.

Approximately 90 percent of the FMS Administrative funding received by the Army is managed by USASAC for logistics support services provided by the AMC to the FMS program. Funds are used for services such as case preparation and management, requisition processing, procurement, case closure, and financial case management.

Functions such as technology transfer, export license processing, and coproduction are funded through the Operation and Maintenance, Army (OMA) appropriation. The Office of the Program Manager, Saudi Arabian National Guard (OPM-SANG), which is solely dedicated to the support of the Saudi Arabian National Guard, is funded from Kingdom of Saudi Arabia funds.

BUSINESS AND SALES

U.S. Army Security assistance, conducted at no cost to the American taxpayer, remains "big business." As of November 1995, the total value of open FMS cases was \$46 billion, of which \$20.4 billion was undelivered. The lineup of top ten customers, with Saudi Arabia and Egypt leading, continued to account for approximately 80 percent of the value of open cases.

The \$20.4 billion undelivered posture suggests a considerable workload requirement for USASAC in the foreseeable future (an annual delivery estimate of \$4 billion is considered reasonable).

For FY 95, new Army FMS cases totaled \$2.4 billion, a slight increase above the FY 94 total of \$2.3 billion. The largest FMS in FY 95 was the sale of 30 Apache Longbow (AH-64D) helicopters to the Netherlands at a total of just under \$700 million. Other recent sales have included M60A3TTS tanks to Taiwan and Thailand; M1A2 tanks to Kuwait; and Apache helicopters to the United Arab Emirates and Egypt.

The FY 94-95 totals reflected a sharp decline from new Army FMS of \$7.4 billion in FY 93; however, the value and viability of the Army security assistance program is more accurately reflected in areas in addition to FMS, including:



Attending the M1A2 rollout (left to right foreground): Maj Gen Michael S. Davison, Jr., USASAC Commander; U.S. Ambassador Ryan Crocker; Maj Gen Ali Al-Mumin, Kuwait Army Chief of Staff; and James R. Mellor, President and Chief Operating Officer, General Dynamics Corporation. (U.S. Army photo by Andy Griminger)

- Support of the U.S. defense industrial base for critical weapons. The majority of new production for the M1 Abrams tank, Apache helicopter, and TOW and Patriot missile systems is ticketed for foreign sales that sustain U.S. jobs.

- Twenty-nine coproduction programs, which help promote a forward U.S. Army presence, interoperability with allied systems, and sustainment of U.S. depot maintenance capabilities.

- Foreign sales for modernization save OMA costs for demilitarization, transportation and disposal, and provides dollars directly to Army systems procurement and modification programs.

New Army FMS for FY 96 are projected to be approximately \$4.3 billion. Customer countries continue to express significant interest in acquiring major U.S. Army systems, including the Multiple Launch Rocket System (MLRS), Black Hawk helicopter, and TOW missile upgrades. This projection is tempered, however, by increasing global competition in the international arms sales community, typified in FY 95 by the intense competition for the Swedish main battle tank and the Dutch attack helicopter contracts.

THE FMS PROCESS

When an eligible foreign country or international organization requires defense articles or services, the country's defense organization conveys the requirement in a Letter of Request (LOR). If the request originates within the foreign country, the LOR is submitted through its diplomatic representative in the U.S. or to the DoD representative in the U.S. Embassy. The request is then forwarded for action to USASAC, with copies to the State Department and the DSAA.

Figure 2 AMC COMMODITY COMMANDS

Aviation and Troop Command (ATCOM), St. Louis, MO, manages aviation systems from R&D through procurement and production.

Communications-Electronics Command (CECOM), Fort Monmouth, NJ, cradle-to-grave acquisition and management of commo and electronics equipment.

Industrial Operations Command (IOC), Rock Island, IL, world-class logistics support through materiel manufacturing and maintenance.

Missile Command (MICOM), Redstone Arsenal, AL, life cycle management of all Army tactical missiles and rockets.

Simulation, Training, and Instrumentation Command (STRICOM), Orlando, FL, development, evaluation, and support of distributive interactive simulation systems.

Soldier Systems Command (SSC), Natick MA, life cycle support of everything the soldier wears, carries, or consumes.

Tank-automotive and Armaments Command (TACOM), Warren, MI, management of R&D, production, fielding, and support of mobility and armament systems.

If the LOR originates from a foreign embassy in the U.S., it is sent directly to USASAC, with information copies to the State Department and DSAA.

Upon approval by the appropriate offices, USASAC requests a Letter of Offer and Acceptance (LOA) from the appropriate AMC commodity command (MSC). Once the LOA has been developed, countersigned, accepted, and funded, the customer's requirement is fulfilled by the commodity command, either by procurement or from U.S. stocks, or both.

The USASAC works with the DOD's major systems acquisition community including the Program Executive Officers and Program Managers to coordinate procurement and fielding of defense articles under FMS programs.

Each AMC commodity command (*see Figure 2*), where the LOAs are initiated and administered, has a Security Assistance Management Directorate (SAMD) that performs the FMS function. Materiel specialists in these offices work closely with USASAC to handle the hardware end of the business, ensuring total package service.

SELF DIRECTED WORK TEAMS

Recognizing the value of teamwork and the need to assign more decision making to the work force, USASAC is in the process of transforming from a traditional hierarchical organization structure to a flatter, self-directed work team environment.

In FY 94, the command's management responded to the Vice President's "Reinventing Government" initiative by asking the work force to explore the feasibility of restructuring the command into Self Directed Work Teams (SDWTs). A representative steering committee and work groups were established and they visited government and private industry SDWT organizations and assessed their feasibility for USASAC. After determining that the concept was feasible, the steering committee developed an implementation plan covering a 3-5 year period.

Key to this plan was extensive training of the organization in the philosophy and techniques of teamwork. To provide this education, USASAC contracted with the Office of Personnel Management to jointly develop a model training program for the command. In FY 95, we launched an additional 80 hours of training for five teams and a related 16 hour management orientation. More than 5,100 hours of training has been provided, including training for ten additional teams and management last year. The training stresses communications, customer service, empowerment, dispute resolution techniques and quality management.

Teams that have completed training have developed more effective working relationships and an increased sense of responsibility. Innovations and effectiveness have also increased. We expect the SDWT program to pay even bigger dividends in the future.

COUNTRY PROGRAMS

Army security assistance programs for more than 120 countries and multinational organizations are managed by USASAC's three Regional Directorates. Headed by a Colonel and staffed with Country Program Managers and Central Case Managers, the Regional Directorate's principal responsibilities include:

- Managing DA-wide participation in developing and executing approved security assistance programs for assigned countries and international organizations, including aid programs.

- Providing central case management of Army FMS cases.

- Providing command case management of blanket order cases, publication cases, and defined line cases for the Defense Logistics Agency (DLA), General Services Administration (GSA), and excess U.S. Army managed Class IX (repair parts), Secure Electronic Procurement Office (SELPO), and non-standard materiel.

Additionally, the Directorates participate with DoD and DA in determining initial country requirements; provide overall program management guidance based on directives from HQDA and the Office of the Secretary of Defense (OSD); provide, as assigned, overall guidance and direction for the management and logistics support of disaster relief, drug interdiction, and other special State Department and Presidential programs; interpret and disseminate security assistance policies and procedures applicable to their regional areas of responsibility; and provide special supply/logistics systems analyses.

Asia, Pacific and Americas

The Asia, Pacific and Americas Directorate has responsibility for the management of the DA-wide participation in the development and execution of over \$7 billion in security assistance programs for 52 active countries and six international organizations and programs, and major program reviews with our customer countries and organizations.

The Directorate is divided into three regional divisions—Asia, Pacific, and Americas—located in Alexandria, Virginia, and a Case Management Division, focused on regional operational support, located at New Cumberland, Pennsylvania.

Following are highlights of each division's area of responsibility, business volume, and significant items for the past calendar year.

Asia Division is responsible for the countries of Afghanistan, Cambodia, China, Iran, Japan, Korea, Laos, Pakistan, Thailand, and Vietnam.

The Division's Country Program Managers handle seven active countries plus Joint Task Force-Full Accountability and Demining Operations in Cambodia, with a total program value of approximately \$3 billion encompassing over 990 active FMS cases.

In the last 12 months, the Division hosted country program management reviews for the Thailand and Korea programs. The Thailand program focuses on the sale of major defense equipment as well as follow-on support of tracked and wheeled vehicles, helicopters, weapons, and other miscellaneous items purchased through FMS. Activity on the Korea program centers around the support of end items purchased through direct commercial sales, war gaming, and the War Reserve Stock for Allies (WRSA) program. The Japan program consists primarily of support for the large coproduction programs between Japan and the USG, and the testing of those systems produced by Japan.

Pacific Division is responsible for the countries of Singapore, Indonesia, Fiji, Malaysia, Sri Lanka, India, Brunei, Tonga, Taiwan, Philippines, Bangladesh, Australia, New Zealand, and Myanmar.

The Division's staff manages 14 active countries with a total program value of approximately \$3.6 billion, encompassing over 650 active FMS cases.

Although a number of country programs assigned to the Division are politically sensitive, the last 12 months has seen the Division host or chair a number of security assistance and specific weapon system program management reviews. Additionally, there have been a number of briefings to individual countries on Excess Defense Articles.

Americas Division's area of responsibility spans Central and South America, and the Caribbean Island Nations.

Managing 29 active countries, four International Narcotics Matters programs, and one International Organization (the Organization of American States—OAS), the Division's Country Program Managers are responsible for a total program value of approximately \$885 million, with over 1,000 active FMS cases.

During the past 12 months, the Division provided support to the 27 member countries in the Multinational Coalition Force participating in Operation Restore Democracy in Haiti; supported Counter Narcotics operations in the Andean Ridge Countries and Mexico; executed the movement of millions of dollars worth of Excess Defense Articles into the region; secured critical mine detection materiel in support of the OAS' Demining program in several Central American countries; and repeatedly provided emergency materiel and services in support of national crises throughout the region.

Case Management Division, New Cumberland, Pennsylvania, employs 52 people dedicated to life cycle support of the FMS cases developed by each of the regional divisions—from case implementation, through execution, to eventual case closure. Here is where the requisitions and other supply transactions are intensively managed.

Organized by country and region, as are the two other Case Management Divisions at New Cumberland, the Asia, Pacific and Americas Country Case Managers mirror the Alexandria Country Program Managers and provide daily contact between the customer and various commodity commands responsible for supplying materiel and services contracted for in the FMS cases.

Europe

The Europe Directorate manages security assistance programs over 1,600 security assistance cases, valued at \$7.6 billion, for 54 countries and 3 international organizations. The Directorate is responsible for the Secure Electronics Procurement Office (SELPO), which procures cryptographic equipment for all foreign countries and the former Special Defense Acquisition Fund (SDAF), which procured high demand defense equipment for FMS.

Geographically, the Directorate's area of responsibility is spread across the globe, managing country programs for Canada and Israel in addition to countries located in Europe proper. The Directorate also supports three major international organizations, the United Nations, NATO, and the NATO Maintenance and Supply Agency (NAMSA).

The Directorate is divided into three regional divisions and a supporting Case Management Division. The regional divisions, located in Alexandria, Virginia, are geographically and functionally oriented.

Northern Region is responsible for the northern tier of Europe ranging from the Scandinavian countries to Germany and eastward to the newly recognized Baltic countries of Estonia, Latvia, and Lithuania, and former countries of the Soviet Union and Warsaw Pact.

In the past twelve months, the staff of the Northern Region has focused on the sale of 30 Apache Longbow helicopters to The Netherlands, with a joint U.S. Government/Contractor Team "negotiating" the sale of the helicopters, combining commercial and FMS terms and conditions with a first ever "Not To Exceed" price on an FMS case. This team effort produced the winning bid in the Dutch international competition, a major coup for an American helicopter manufacturer to break into the tight European market. Additionally the Division successfully opened the door to FMS sales in the former Eastern bloc with activity in Poland, Czech Republic, and a major effort at equipping a composite Baltic peacekeeping battalion from the countries of Latvia, Estonia, and Lithuania.

The Northern Region is also responsible for the SELPO and the SDAF. The SELPO office processed over 550 cases for cryptographic equipment for all foreign countries. The SDAF office is efficiently drawing down the SDAF account, which started 1995 with an equipment balance of over \$210 million and concluded calendar year 1995 with a balance of \$140 million.

Central Region is responsible for Israel, Canada, Greece, Belgium, Luxembourg, and the United Kingdom. In the past 12 months, the Central Region's staff has focused on the expanding Israel Program, both Ground and Air Forces, as Israel has shifted from primarily direct commercial procurement using Foreign Military Financing Program funds to using such funds for FMS acquisitions. This expansion has resulted in a fourfold increase in activity, with new FMS cases alone totalling over \$500 million annually. The Greece program also continued with a case value approaching a billion dollars. This program centers upon a major Multiple Launch Rocket System (MLRS) buy and a procurement of Apache helicopters.

Southern Region handles programs for the southern tier of Europe—Portugal, Spain, France, Italy, Turkey, Albania, Switzerland and the United Nations. In the past year, the Southern Region has focused on peacekeeping and humanitarian efforts from the United Nations. Major support efforts to the UN dominated the Southern Regions workload.

Peacekeeping efforts in Somalia, Haiti, and Bosnia, as well as humanitarian relief in Rwanda, produced requirements for FMS leases of major military equipment ranging from tanks and armored personnel carriers to Cobra attack helicopters and the enormous support packages that accompany these equipment packages. The action officers working in an operations center atmosphere could be found, day and night, with phones to their ears, coordinating air sorties of C-5 aircraft laden with equipment *bound for* central Africa or providing guidance to people on the ground in Haiti or in Israel delivering military vehicles to the Palestine Police Force. In addition to this daily activity, other programs such as Turkey, a \$1.1 billion program, continued to be managed and new programs, such as Albania, were opened and established.

Case Management Division is the backbone of the Europe Directorate. This division employs 42 people dedicated to implementing the cases developed by the regional divisions. Organized by country and region, the Case Managers provide the direct daily contact between the customer and the various commodity commands.

Mideast/Africa

The Mideast/Africa Directorate manages a \$30.8 billion program consisting of 67 countries and over 1,106 active FMS cases. Five Directorate countries (Saudi Arabia, Egypt, Kuwait, United Arab Emirates and Jordan) rank among the top 10 of the U.S. Army's biggest FMS programs. Potential sales for the Directorate total \$5.44 billion.

The Mideast/Africa Directorate is subdivided into four divisions at Alexandria—Mideast/Africa, Kuwait/Gulf States, Saudi Arabia—and a Case Management Division at New Cumberland. Following are Directorate highlights and business volume during the past calendar year.

The Mideast/Africa Division was established in 1994 to incorporate Egypt into the African Division, which now comprises all of Africa, Jordan and Lebanon.

The Government of Jordan's security assistance program consists primarily of a Hawk system (Phase II), AH-1S Cobra and UH-1H helicopters, AN/TPQ-36 and 37 radars, and M60A3 tanks. The U.S. has supplied various vehicles, weapons and small arms ammunition under the EDA program. In support of Jordan's efforts at Mideast peace, the DoD agreed to a major drawdown of military equipment for transfer to Jordan, including UH-1H helicopters, M60A3 tanks, vehicles, night vision and communication equipment, and spare parts.

In 1995, the Egyptian Minister of Defense indicated the number one priority of the Land Forces is to obtain as many M113A2 Armored Personnel Carriers from U.S. Army excess stocks as possible. Egypt selected M113A2 APCs from U.S. Army, Europe (USAREUR) "as is, where is" stocks and has been notified of additional M113A2 assets available in CONUS. Mortar Carriers, Improved TOW vehicles and Command Post Carriers were also transferred. A final decision concerning the follow-on use of the Egyptian M1A1 Tank Plant remains under study.

In July 1995, the U.S. delivered UH-1H Helicopters to Lebanon, and the U.S. has supplied tactical wheeled vehicles, various types of trucks, and M113A2 Armored Personnel Carriers under the EDA Program.

The availability of FMF Program funds for Africa has been very limited, and most African countries do not have national funds with which to finance new and existing purchase requests. USASAC is working with the customers to identify excess money on current cases which can be pooled together to finance new programs and continued support for existing programs. This allows continuous security assistance support, even when new funding is not available.

Kuwait/Gulf States Division was established in 1994 to afford FMS cash customers in the Gulf Region expanded and intensive case management. The Division is responsible for Kuwait, the United Arab Emirates, Bahrain, Qatar, Oman and Yemen.

Kuwait's effort to rebuild its military is by far the most significant activity in the Division. Kuwait has continued major acquisitions of the Patriot missile system and M1A2 tanks, and is currently considering a buy of Apache and Black Hawk and M10109A6 howitzers. Other significant events during the past year included a Presidential Determination authorizing the sale of M829 depleted uranium ammunition to Kuwait and the fielding of the M1A2 tank.

The United Arab Emirates security assistance program includes two major systems: Hawk missiles (Phase III) and the AH-64A Apache helicopter. The Hawk is a mature program, fully operational and all major equipment delivered. The Apache program has additional aircraft to be delivered in 1996. The UAE has also indicated a continued interest in the Patriot air defense missile system.

Saudi Arabian Division was known as the Saudi Modernization Directorate from 1992 - 1994. In 1994, it was restructured into a division under the Mideast/Africa Directorate. The reorganization was part of an overall streamlining and reengineering effort within USASAC. The division retained responsibility for management of all Army programs for our biggest FMS customer—the Kingdom of Saudi Arabia.

Despite Saudi fiscal constraints, major programs remain on schedule. For the Royal Saudi Land Forces, the final M2A2 Bradley Fighting Vehicle was delivered to the Kingdom in the spring of 1995. Now the focus has turned to upgrading M113A1s to the A3 configuration. The M1A2 Abrams tanks also continued to be shipped. A significant event which transpired in 1995 was the long-awaited release of the Precise Lightweight Global Positioning System Receiver for the Patriot program.

The Division also provides case management assistance to the Saudi Arabian National Guard Program, executed via the Program Manager, Saudi Arabian National Guard (PM-SANG) in Riyadh, which has a Field Office located within USASAC.

The Case Management Division consists of three Branches: Kuwait/Gulf States, Mideast/Africa, and Saudi Arabia. Each Branch provides the operational aspects of all Army FMS cases from the time of implementation, through delivery of goods and services, and problem solving, until final case closure.

Program Manager - Saudi Arabian National Guard (SANG) Modernization

The Office of the Program Manager, Saudi Arabian National Guard Modernization has the mission of developing with the SANG the capability to unilaterally initiate, sustain, and operate modern military organizations and systems, in conjunction with other Kingdom of Saudi Arabia forces. Support provided by the OPM-SANG includes materiel acquisition and delivery and intensive training programs. An Army Brigadier General is the PM.

The PM-SANG is a multibillion dollar program, which dates to a 1973 Memorandum of Understanding between the United States Government and the Saudi Arabian Government. It is fully funded by the Kingdom. The Program Manager is chartered by the Secretary of Army and reports to the USASAC Commanding General.

The OPM-SANG includes a staff of 95 military and 179 U.S. Army civilians, augmented by approximately 1,000 contractor representatives.

Currently numbering 75,000 soldiers, the SANG distinguished itself in the Gulf War. In September 1991, Crown Prince Abdullah, SANG Commander, approved a plan to expand the SANG to a 100,000-man force of 11 brigades, including combat support and combat service support elements. The linchpin of the expanded SANG is the ongoing acquisition of 1,117 Light Armored Vehicles built by Diesel Division General Motors of Canada at a cost of approximately \$3.3 billion under a FMS contract. During 1995, deliveries of the LAVs continued and requirements for a follow-on buy is being considered.

In addition, three new cases for medical and communications equipment/services were implemented in 1995.

LOGISTICS SUPPORT

The directorate's name says it all. Its scope and functions cover all facets of integrated security assistance logistics support to customers—both internal to the Department of the Army and external to the 130 foreign countries and international agencies supported by USASAC. The mission includes transportation policy; Cooperative Logistics Supply Support Arrangement (CLSSA); program guidance and execution for logistics; system and procedures development; product assurance management and execution; and logistics staff functions. In addition, this staff acts as the USASAC operational element for mobilization, Joint Chiefs of Staff exercises, and emergency planning. The following three divisions implement these mission elements.

Logistics Systems

This division develops the internal policies and procedures required by the CCMs; analyzes and designs functional systems for cataloging, supply, procurement, reports of discrepancy, maintenance and obsolete/nonstandard items; writes the FMS cases for CLSSAs, Blanket Orders, Publications, DLA/General Services Administration (GSA), Defined Line, and unique/nonstandard cases, modifications, and amendments (comprising approximately 38 percent of the Army's FMS cases); manages the USASAC Emergency Operations Center at New Cumberland and all related emergency and mobilization plans and exercises; conducts continuous functional reviews and analyses to improve performance of USASAC systems; and, trains USASAC systems users. Other major functions include:

- Designing and maintaining functional logic for automated interface with other DoD/DA/customer country case management systems, Commodity Command Standard System(CCSS), Standard Depot System (SDS), Defense Automated Addressing System (DAAS), other services' supply and finance centers; Defense Integrated Data Systems (DIDS); Security Assistance Automation, Army (SA3); Program Budget Accounting System (PBAS); Defense Integrated Financial System (DIFS); Defense Security Assistance Agency (DSAA); and International Logistics Control Offices (ILCOs).

- Achieving effective customer support as the Army's focal point for the Supply Tracking and Reparable Return System-Personal Computer (STARR-PC); participating in improving the Military Standard Requisitioning and Issue Procedures (MILSTRIP); Modernization of Defense Logistics Standard System (MODEL); and Military Standard Transportation and Movement Procedures (MILSTAMP).

- Managing the Security Assistance Liaison officer (SALO) program at New Cumberland. Under the SALO Program, liaison officers have available to them on-line access to the data base pertaining to their own FMS cases, direct access to the USASAC case managers and other key personnel in the U.S. FMS/logistics community. The program has enjoyed great success through its efforts to improve communication and cooperation between USASAC and foreign liaison officers representing Canada, Israel, Korea, Taiwan and the United Kingdom. It is anticipated that Kuwait, Turkey, Portugal, Colombia and Thailand will join the program.

Cooperative Logistics Supply Support Arrangements

This division manages the DA CLSSA program by providing effective logistics planning and support to countries participating in security assistance programs.

The program features follow-on repair parts support that is essential to ensure U.S. manufactured equipment owned by our friends and allies is sustained. The CLSSA program is the most productive means for maximizing all the benefits of the U.S. Army logistics system.

The CLSSA is the avenue used by the country to “buy-into” the U.S. supply system. The Army Inventory Control Points (ICPs) buy and prestock in anticipation of participating security assistance customer requirements so that when requisitions are received, shipment can be made. Our CLSSA customers receive the same support we provide our U.S. forces given the same priority designator (i.e., an on-time fill rate of about 88 percent).

Costs for CLSSA are between 25 to 30 percent of the value of the Foreign Military Sales Order I (FMSO-I) plus the SSA charge (5 percent of the Part A, FMSO-I). However, this initial, one-time investment (except for the SSA charge which is a sunk cost) is returned when—after 5 or 20 years—the customer decides his equipment will be phased out or replaced.

Product Assurance

The essence of this division’s mission is to develop and manage the Department of the Army executive level security assistance Product Assurance Program. This tasking is accomplished through continuous process improvements in USASAC’s Total Quality Management environment. Key functions include:

- Conducting reviews and evaluations of significant problems; providing technical assistance and support; developing management studies for system improvements and problem resolution; and initiating, planning, and providing technical staffing for Technical Assistance Teams, Quick Reaction Teams, and Customer Satisfaction Support Teams.

- Developing and managing policies, procedures and guidance in order to maintain an effective Army level Product Assurance Program, including providing service to security assistance customers at every tier, whether internal or external to USASAC. The division strives to assure that equipment and services are in accordance with the provisions and terms of the FMS case. Recent examples include providing:

- Freight Forwarder liaison to resolve misdirected freight and marking and packing problems; and providing security assistance training to DLA shipping activities and Defense Contract Management Area Office representatives.

- Support in the selection, delivery and fielding of matériel in support of a Presidential Determination Program to support the Palestinian Police Force.

- Technical Assistance Support in the supply of “as is, where is” Main Battle Tanks in support of countries within the scope of the Pacific Command’s Area of Responsibility.

INFORMATION MANAGEMENT

The command's information management programs are hailed throughout the security assistance community as the pacesetters in FMS customer support. The Information Management Directorate provides AMC, USASAC, and foreign countries with automation support for the information areas of automation, communications, visual information, and records management.

The Directorate is organized in four divisions—

- Automated Data Processing Support - Alexandria, Virginia.
- Operations and Systems Integration; Application Development; and Information Management and Plans - New Cumberland, Pennsylvania.

Major functions include:

- Maintaining an auditable, accountable, and accurate U.S. Army FMS database containing logistical, case management, and financial data.
- Providing the automation necessary for the real-time update of the Army FMS database, the on-line development of FMS cases, the electronic transmission of cases from the MSCs, and the ad hoc querying of the database information.
- Providing the automation, communications, and system interfaces linking USASAC, the MSCs, minor Implementing Agencies (IAs), Security Assistance Liaison Offices (SALOs), Security Assistance Organizations (SAOs), and other DoD agencies.
- Acquiring all computer hardware, software and services for USASAC, the MSCs and minor IAs.
- Managing the automation functions of the STARR-PC.
- Supporting the automation efforts of the total USASAC family of users by managing the office automation systems, providing customer support through training, problem identification, and resolution.
- Providing full visual information and records management support services to the command.

Information Management System Users

The command's customers total over 1,300 users worldwide. Primary customers include the USASAC work force, the Security Assistance Management Directorates located at each of the MSCs, the DSAA, the U.S. Army Finance and Accounting Center (USASAC), and the Defense Finance and Accounting Service (DFAS). These customers have access to USASAC's data base (*see Figure 3*) through direct networks or telephone line connections.

Additional customers include the U.S. Army Corps of Engineers (COE), HQDA, Defense Contract Audit Agency (DCAA), the Adjutant General (TAG), the TRADOC, the Defense Logistics Agency (DLA), and The Defense Nuclear Agency (DNA).

Army FMS Information Systems

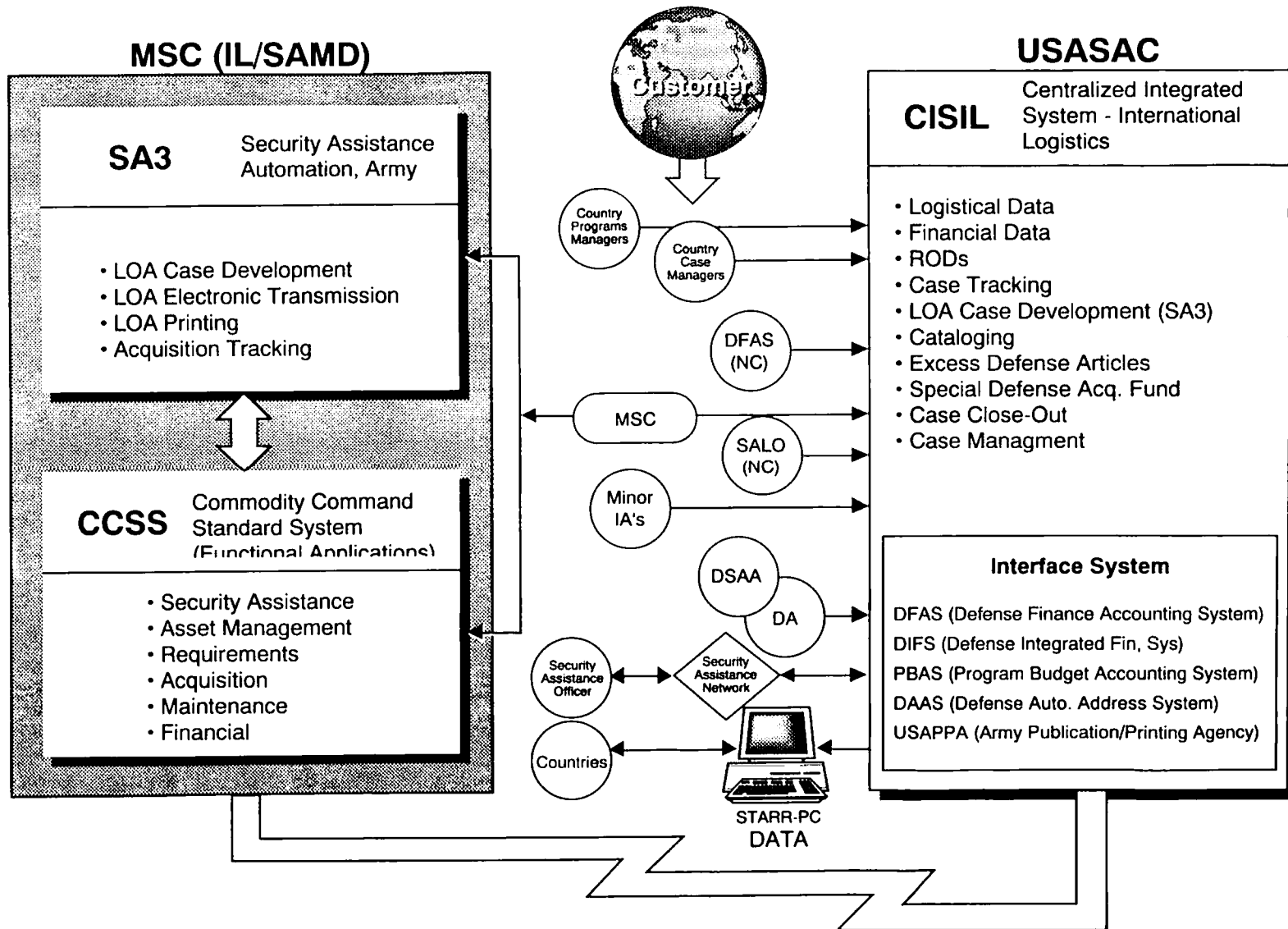


Figure 3
ARMY FMS INFORMATION SYSTEMS

Also, country customers access the USASAC FMS database through the SALOs, or remotely by SAOs via the Interoperability Decision Support System (IDSS) Telecommunication Gateway operated by the Institute for Defense Analysis (IDA).

Recent Initiatives

The power of automation is at every desktop in USASAC through the implementation of high-powered personal computers (PCs) and state-of-the-art software technology. The productivity and effectiveness of the USASAC work force has been increased through access to multiple systems, databases and software, such as word processors, spreadsheets, electronic mail, graphics, automated forms, and a limitless outreach into the information internet.

Implementation of a PC-Local Area Network (PC LAN) Communication Network Architecture at USASAC created an open system environment to meet the demands for performance and capacity while allowing for additional and improved system access and the sharing of computer hardware and software network-wide.

Implementation of the USASAC Video Teleconferencing System—a desktop network system linking the Alexandria and New Cumberland offices—connects the remote conference rooms, enabling users to visually interface to discuss issues as well as show and review chart data and information. This initiative has reduced travel time and cost.

The implementation of report distribution software into the USASAC automated computer environment significantly reduces the requirement for hardcopy reports. This effort enables system users to view reports from their desktop terminal screen, manipulate the information into various formats, and, if hardcopy is absolutely required, print only those portions of data that are needed in lieu of the entire report.

The STARR-PC is a system developed to provide the USASAC country customer with an automated database for requisition submission and tracking. Through STARR-PC, customers have the ability to establish requisitions in their local database and transmit them to USASAC on a daily basis. USASAC in turn provides daily status changes to requisitions to the customer. STARR-PC provides real-time visibility of requisition status. The International Logistics Communication System (ILCS) through the Defense Automated Addressing System Center (DAASC) is the communication link for the STARR-PC System.

Planned System Enhancements

Future plans include the expansion of the PC LAN to include full implementation of CD-ROM and automated forms technology. Also, plans are well underway for the reengineering of the FMS case print process and the extension of the Reports of Discrepancy (RODS) Expert System to the MSCS.

SYSTEMS MANAGEMENT AND COMPUTER BASED TRAINING (CBT)

Security assistance business process management involves oversight of the myriad systems supporting the security assistance mission of USASAC and AMC. We accomplish this by:

- Providing leadership of a security assistance business process group.
- Sustaining security assistance legacy business applications in the CCSS.

- Providing functional support for the development of the new Defense Security Assistance Management System (DSAMS).

- Providing consultation services to process action teams or similar groups on computer systems.

- Developing CBT courses on security assistance systems and processes.

- Providing subject matter expertise for the development, implementation, and interfacing of DoD standard logistics systems that will support security assistance.

- Developing unique systems to support USASAC and the other major subordinate commands of AMC, such as a recently completed tracking system for maintenance support arrangements.

The USASAC CBT program supplements existing security assistance training opportunities by offering courses specific to Army processes and realistic system simulation. Eight courses have been developed and are available to interested individuals. The course topics are: Security Assistance Overview; Reports of Discrepancy; Transportation; Security Assistance Management Acquisition Program; Requisition Preparation and Processing; M204 System Case Development (includes a hard copy Job Aid); Supply/Shipment Status Processing; and Security Assistance Logistics Data.

Our current efforts include updating several courses and developing two new courses (LOA Processing and Funds Control/Financial Support). The projected completion date for course updates and development of the new courses is June 1996. All courses are self-paced.

POLICY, PLANS AND OPERATIONAL SUPPORT

Technical and managerial programs for security assistance policy, plans, and operational support in USASAC help to create a knowledgeable and efficient work force by developing and promulgating accurate, concise and clear security assistance policies and procedures as well as evaluating new and ongoing programs to ensure their effectiveness. Directorate personnel conduct periodic evaluations and continuing surveillance of security assistance activities within AMC for compliance with DoD, DA and AMC policy directives.

The following represent some key ongoing initiatives:

Acquisition Streamlining

Initiatives in streamlining FMS processes are focused on Nonstandard Item Support (NSI) projects. In 1990, USASAC and the U.S. Army Tank-automotive and Armaments Command (TACOM) started a test NSI system called the Simplified Nonstandard Acquisition Process (SNAP). Geared to commercial items costing less than \$25,000, SNAP proved so flexible that TACOM began using it to buy items costing more than \$25,000. The SNAP effort solves a long-standing problem: how to cut order-ship time for nonstandard items, ensure competition among vendors, reduce administrative costs, foster intelligent procurement, and build a customer friendly system. The alternative to this accelerated acquisition program is long delays in supplying nonstandard items and potential loss of sales to foreign companies.

To use blanket purchase arrangements to procure nonstandard items more efficiently, USASAC and TACOM developed innovative computer software and other process improvements to cut Procurement Administrative Lead Time (PALT), a major problem for

FMS customers. Techniques such as sending requisitions from USASAC into TACOM's Acquisition Center personal computers and using "bulk funding" reduced PALT. Aiming for speed under SNAP, a master solicitation was developed to improve efficiency and reduce cost per order processed.

By 1995, SNAP's ability to provide nonstandard items attracted a diverse and growing mix of FMS customers. In 1990, TACOM received 800 requisitions, and by 1994 that figure had grown to 11,559. The end of 1995 saw the total number of SNAP requisitions processed since the inception of the program approaching, if not exceeding, the 40,000 mark with few reports of discrepancy being filed. We estimate that an additional 25,000 requisitions will be processed in 1996. Starting with about 10 vendors in 1990, the SNAP vendor base has now grown to approximately 150, a diversity of companies capable of fulfilling most of the varied requirements of our FMS customers.

The SNAP spin-offs, consisting of an expert system forwarding NSI orders as well as requirements contracts with General Motors, Ford, and Chrysler under a program called Standard Autos and Commercial Trucks, promise more improvements. The requirements contracts should reduce the PALT for commercial vehicles from 180 days to around 30 days or less.

In 1994, we began to explore the use of credit cards to buy selected nonstandard items, saving time and money in paying vendors and billing FMS customers. In a larger and more important effort, we are starting to move toward the implementation of electronic commerce.

The use of Blanket Order (BO) cases for NSI has been expanded. In most instances, the BO cases can be written in 5 to 15 days as compared to 40 days for defined line cases.

Interservice cooperation is also on the rise. In July 1992 and December 1992, USASAC sought to establish a series of Memorandums of Understanding (MOUs) on shared use of the other Military Departments' NSI systems. When fully executed, these MOUs can be used to meet customer needs if those needs cannot be satisfied by the Army. The MOU with the Air Force was signed on 28 January 1994. This MOU provides for one-stop shopping and gives our SNAP vendors an opportunity to satisfy Air Force NSI requirements for FMS customers as well. We are now working on a similar program with the Navy as well as with the U.S. Army Information Systems Command.

Letter of Offer and Acceptance (LOA) Policy

A LOA quality review of all Army cases (except those of the Corps of Engineers) is conducted to reduce the number of rejections by the DSAA. The quality review is accomplished by the five member Quality Review Board (QRB). The QRB meets daily and focuses on key elements of the LOA such as line item data, mathematical calculations and notes. The board is chaired by a representative from USASAC's Policy, Plans, and Operational Support Directorate. The other four members of the board represent the Resource Management and the three Regional (Country Program Management) Directorates. In FY 95, the QRB reviewed 2,569 LOAs, amendments, and modifications.

The Army's performance significantly improved after the quality review process was initiated in October 1986. At that time, USASAC experienced a DSAA rejection rate of 33 percent. Since January 1992, LOA quality has been maintained at 99 percent error-free.

Implementation of the short form LOA in June 1992 streamlined U.S. Government sales contracts to resemble direct commercial sales contracts. Automated LOA preparation and mail processes also enhanced continuity and aided in the reduction of errors.

A current initiative is underway to restructure LOA development among the services. A tri-service committee is focusing on eliminating differences in LOA format and processing procedures. Development of an automated system for managing the security assistance process within DoD, named the Defense Security Assistance Management System (DSAMS), will provide triservice capability to improve LOA consistency.

Excess Defense Articles (EDA)

The Army's program to offer EDA has been in high gear since 1990. It took off with the retirement of a multitude of gasoline powered, light tactical wheeled vehicles and other types of heavier trucks as a result of fleet modernization. Subsequent force downsizing and continued systems modernization created still more excess assets which were offered to security assistance countries. The range of end items which were offered broadened to include certain small arms, ammunition, aircraft, bridging, tracked vehicles, radars and air defense systems. Contrary to some expectations, however, not all such older equipment in the Army's inventory has become excess. At any given time, only limited quantities and types of materiel may be available because of previous allocations or other circumstances.

Countries are advised of what is available through requirement surveys, which identify the materiel available, its condition, location and the closing date of the offer. Most excess systems are offered on a one-time basis. For these systems, after assets are allocated and transferred, no more are available. For other systems, with large Army inventories which must be phased out over an extended period, excess assets may be available for some time. This has been true for some tactical wheeled vehicle series, though the end to the supply of significant numbers of excess wheeled vehicles appears to be in sight.

More than 11,500 excess tactical wheeled and 900 tracked combat vehicles have been shipped since the program began. Over 90 percent of these vehicles were transferred under grant programs which require countries to pay only shipping, handling, and administrative costs. Most EDA are transferred "as is, where is." Any refurbishment costs are charged to the customer.

As the downsizing of U.S. Army Europe is completed, it will no longer be the primary source of excess assets for security assistance. As materiel becomes available, from whatever source, we will continue to apprise countries of these sources to meet security assistance requirements.

International Air and Trade Shows

In 1991, the office of the Secretary of the Army for Research, Development and Acquisition transferred the mission of supporting international air and trade shows to DA's Directorate for Security Assistance under the DA DCSLOG. The DCSLOG requested that USASAC assist in performing the mission pending the development of a final policy on the matter. The Directorate for Security Assistance and USASAC have planned and executed air shows since 1991, including the 1991 Dubai (UAE), the 1992 Singapore, the 1992 Farnborough (United Kingdom) and the 1994 Singapore Air Shows.

The degree of participation at air and trade shows has now been determined by the office of the Secretary of Defense. In March 1994, the Directorate for Security Assistance assigned

the operational planning and coordination responsibility for air and trade shows to USASAC. The policy responsibility was retained at HQDA. We assumed the separate mission with five shows for execution, which includes the Paris Air Show, the Farnborough Air Show, the Dubai Air Show, the Asian Aerospace Air Show (Singapore), and the Eurosatory Trade Show (France). We support other international trade shows based on direction from DSAA and DA. The shows are conducted to demonstrate our support for regional security and to contribute to interoperability of equipment with coalition partners.

ARMY COPRODUCTION

Another security assistance activity that improves U.S. relationships with other nations and fosters cooperation is coproduction. Coproduction enables an eligible foreign government to acquire the "know-how" to manufacture or assemble a weapon, communications, or support system for its own forces. Product manufacture and assembly are shared by U.S. and foreign producers and governed by an all-encompassing, government-to-government agreement—an MOU. The MOU authorizes the transfer of the necessary technical data, technical assistance, and materiel through foreign military sales and/or through a direct commercial arrangement.

Prior to development of the MOU, exploratory discussions are conducted and may result in agreed positions; however, neither party is committed to any arrangements arising during the discussions until Department of Defense approval is granted. The MOU draft is reviewed in the Office of the Secretary of Defense, and the Departments of State and Commerce. The MOU addresses the quantities of items to be produced, the intended workshare between countries, the liabilities of the parties to the agreement, restrictions on third country transfers, security of classified data, recoupment charges by the United States of research and development costs for the item, and the cooperative management arrangements.

Since the early 1960s, coproduction has proven to be a cost effective and efficient way of strengthening the defense forces of our allies while at the same time strengthening their defense industrial base. With today's economic conditions, coproduction is becoming more and more attractive, as our allies are able to eliminate not only most research and development costs associated with the development of a weapon systems, but at the same time ensuring standardization and interoperability of equipment with U.S. forces.

The USASAC currently has 29 active coproduction programs with 13 countries plus NATO with an estimated program value of over \$28 billion. Examples of successful coproduction programs include the Multiple Launch Rocket System, the M109 Self-propelled Howitzer, M1A1 Tank, and the Patriot, Stinger, Hawk and Hellfire missile systems.

REVIEW OF COMMERCIAL EXPORT LICENSE REQUESTS

Export licenses authorize the direct commercial export of defense articles and services as specified by the International Traffic in Arms Regulation. Those exports often complement government-to-government sales via the Security Assistance program. Department of State is responsible for approving export licenses requested by commercial firms. Selected requests are referred to USASAC for a releasability recommendation.

The review process for export licenses begins with those organizations closest to the hardware or technology within the AMC. The proposed Army position on the commercial export is developed using the same considerations as for making a FMS offer: security classification, level of technology, previous releases, foreign availability, potential applications, impact on the industrial base, and potential interference with U.S. Army requirements. In addition, if the proposed export is for technical data, it is reviewed to

determine the ownership and rights to the technical data to be transferred and, if coproduction or licensed production is involved, the extent to which the U.S. defense production base would be affected by transferring production to foreign firms.

The USASAC develops and staffs the Army position, then sends it to the Office of the Secretary of Defense, Defense Technology Security Administration (DTSA) for approval and return to the State Department. State notifies the firm of the Government's approval, denial, or restrictions which are to be imposed on the transfer.

In FY 95, USASAC's Office for International Industrial Cooperation processed over 4,800 license requests, approximately the same workload as the previous two years. The DTSA allocates 22 calendar days to the Army to prepare a fully coordinated recommendation on each license request; the Army position was provided within the 22 days on over 95 percent of the licenses in FY 95.

INDUSTRY/DEFENSE TRADE DIALOGUE

In addition to reaching out to foreign customers and to the government organizations to increase feedback and ultimately improve customer satisfaction, USASAC has an active outreach program with U.S. industry. The USASAC management frequently meets with industry representatives to identify any areas/issues where either party can take action to improve defense trade.

The USASAC participates in the American Defense Preparedness Association's (ADPA's) U.S. industry Committee for Army International Programs. The bimonthly meetings of this industry-led committee serve as a valuable source of feedback from industry on real-time issues. In addition, the USASAC Commander frequently is a speaker at various association- and industry sponsored conferences around the world.

Other government-industry forums in which USASAC participates include quarterly AMC/Chief Executive Officer industry meetings and the AMC "Atlanta" conferences, both of which bring senior government and industry executives together to discuss a wide variety of topics, including international defense trade issues.

CONCLUSION

Domestic political uncertainties and Congressional changes, downsizing and resource reductions, plus volatile international economic and political climates, all present the U.S. Army security assistance community with serious challenges. Moreover, our FMS outlook through the balance of this century and beyond indicates a continuing downward trend.

The Security Assistance Command has assessed these challenges, and we know that to be successful in our competitive environment we must continue to follow our vision toward quality in mission performance and customer satisfaction. Our keys to these goals include our professional work force, focused on increased efficiency, continuous process improvement, operational streamlining, and functional consolidation. This is our survival guide.

We will, with our partners in AMC and industry, strive to offer our customers imaginative and creative foreign sales agreements—the total package—aimed at total customer satisfaction.

Security assistance and FMS remain effective instruments of U.S. foreign policy. Building on its tradition of superior customer service, USASAC will continue its leadership role in support of U.S. national security and allied strength in cooperation.

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